

# Teacher Lesson Plan

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## Module 10—Refund, Amount Due, and Record Keeping

### Time Frame

One to two class periods

### Curriculum Area(s)

- Technology
- Civics/Government
- Family and Consumer Sciences
- History/Social Studies
- Economics

### Purpose

To help students understand refunds, amounts due, and record keeping requirements

### Objectives

Students will be able to

- define a refund and explain how refunds are received.
- define an amount due and explain how payments are made.

### Materials

#### *Online*

Student Lesson—Refund, Amount Due, and Record Keeping

Tax Tutorial—Refund, Amount Due, and Record Keeping

Simulation 10—Completing a Tax Return Using Form 1040A to Claim a Dependent

Assessment—Refund, Amount Due, and Record Keeping

Assessment Solutions—Refund, Amount Due, and Record Keeping

#### *Print (PDF)*

Fact Sheet—Refund, Amount Due, and Record Keeping

Teacher Lesson Plan—Refund, Amount Due, and Record Keeping

#### *Tax Forms*

Form 1040, U.S. Individual Income Tax Return

Form 1040EZ, Income Tax Return for Single and Joint Filers With No Dependents

## Background

Taxpayers receive a refund when their total tax payments are greater than the total tax. Refunds are received from the government. Taxpayers receive refunds from the government as checks or as direct deposits to the taxpayers' accounts at financial institutions. Taxpayers must pay an amount due to the government when the total tax is greater than their total tax payments. Payments can be made by check, money order, credit card, or direct debit (for electronic filers only). Taxpayers need to keep good records in order to prepare their tax returns and support all items on their tax returns.

## Key Terms

***amount due***—Money that taxpayers must pay to the government when the total tax is greater than their total tax payments.

***refund***—Money owed to taxpayers when their total tax payments are greater than the total tax. Refunds are received from the government.

## Opening the Lesson

Hand out Fact Sheet—Refund, Amount Due, and Record Keeping. Using the following questions, prompt students to share their knowledge about refunds, amounts due, and record keeping:

- What do you know about tax refunds and tax payments? **Some students may know that when the refund check arrives, the family can make a big purchase, like a television. Other students may share stories about late night drives to the post office on April 15th to mail the tax return and check. Other students may refer to news reports about the traffic jam at the post office on April 15th.**
- Why is it important for taxpayers to keep good records? **Taxpayers need to be able to prove the sources of income as well as the expenses and deductions reported on their tax returns. Also, taxpayers who have good records can complete their tax returns quickly and accurately.**

Then, explain that this lesson covers refunds, amounts due, and record keeping requirements.

Note: For students who may want to work independently on this module, refer them to Student Lesson—Refund, Amount Due, and Record Keeping.

## Developing the Lesson

Direct students to Tax Tutorial—Refund, Amount Due, and Record Keeping, and explain that this tax tutorial focuses on refunds, amounts due, and record keeping. Tell students that they will learn the difference between a refund and an amount due. They also will learn the various ways to receive refunds and make payments. Students will learn about the importance of good record keeping. Inform students that they will have an opportunity to integrate all of the previous tax tutorials by completing two comprehensive tax returns.

### ***Online Activity***

Direct students to Simulation 10—Completing a Tax Return Using Form 1040A to Claim a Dependent. Explain to students that they will use the documents and information to complete the tax return for Jacob Hastings, a married man with two children.

### **Concluding the Lesson**

After the students have completed Tax Tutorial—Refund, Amount Due, and Record Keeping and Simulation 10—Completing a Tax Return Using Form 1040A to Claim a Dependent, ask them whether they have any questions about refunds, amounts due, or record keeping. To ensure that they understand the material, ask the following questions:

- When will a taxpayer have a refund? **A taxpayer has a refund when total tax payments are greater than the total tax.**
- What are two ways to pay an amount due? **Taxpayers can pay the amount due by check or money order, by credit card, or by direct debit for electronic filers.**

### **Assessment**

As a final review, summarize the major lesson points. Remind students that taxpayers receive refunds from the government and pay the amount due to the government. Refunds and payments can be made using checks, but electronic means may be faster, less expensive, more secure, and more convenient. Emphasize that taxpayers need to keep good records to support all items reported on the tax return. When students are comfortable with the material, have them complete Assessment—Refund, Amount Due, and Record Keeping.